

# Letter of Engagement

**Ref.No.: CUST0001/LOE/2024-2025/00001**

Date: 24 Aug 2025

Sonu

Dear: Sonu

Sub: Engagement letter – Letter of Engagement in ICAI Format for the year ended 2024-2025

## 1. The objective and scope of the audit

You have requested that we audit the financial statements of Customer 1 which comprise the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss and the (Cash Flow Statement<sup>1</sup>) for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## 2. The responsibilities of the auditor

We will conduct our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act 2013. Those Standards require that we comply with ethical requirements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with SAs.

## 3. The responsibilities of management and identification of the applicable financial reporting framework

Our audit will be conducted on the basis that [management and, where appropriate, those charged with governance] acknowledge and understand that they have responsibility:

(a) For the preparation of financial statements that give a true and fair view in accordance with the Financial Reporting Standards. This includes:

(i) The responsibility for the preparation of financial statements on a going concern basis.

(ii) The responsibility for selection and consistent application of appropriate accounting policies, including implementation of applicable accounting standards along with proper explanation relating to any material departures from those accounting standards.

(iii) The responsibility for making judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.

(b) For such internal control as [management] determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error: and

(c) To provide us with:

(i) Access, at all times, to all information, including the books, account, vouchers and other records and documentation, of the company, whether kept at the head office of the company or elsewhere, of which [management] is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters:

(ii) Additional information that we may request from [management] for the purpose of the audit: and

(iii) Unrestricted access to persons within the company from whom we determine it necessary to obtain audit evidence. This includes our entitlement to require from the officers of the company such information and explanations as we may think necessary for the performance of our duties as auditor.

As part of our audit process, we will request from [management and, where appropriate, those charged with governance], written confirmation concerning representations made to us in connection with the audit.

We also wish to invite your attention to the fact that our audit process is subject to `peer review` under the Chartered Accountants Act, 1949 to be conducted by an Independent reviewer. The reviewer may inspect, examine or take abstract of our working papers during the course of the peer review.  
We look forward to full cooperation from your staff during our audit.

[Other relevant information]

[Insert other information, such as fee arrangements, billings<sup>2</sup> and other specific terms, as appropriate.]

#### **4. [Reporting]**

[Insert appropriate reference to the expected form and content of the auditor's report including, if applicable, the reporting on other information in accordance with SA 720 (Revised).]

The form and content of our report may need to be amended in the light of our audit findings.

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

#### **Additional Fees**

Details of Engagement Estimate for the Letter of Engagement in Statutory Audit to Sonu

| SI No | Expense Name     | Charges In INR  |
|-------|------------------|-----------------|
| 1     | Filing Charges   | 10000.00        |
| 2     | Professional Fee | 50000.00        |
|       | <b>Total</b>     | <b>60000.00</b> |

Very truly yours,

**A1; ABCD; ASB; HP; infinity; Mindtree; Nayana & Co; Raju & Co; Rakesh & Co; S&S; Start; T1; TRACe Test Demo and Co.; UBC; Varun & co; Venu**

[Firm Name]

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We agree to the terms of the engagement described in this letter.

**Sonu**  
[Client Name]

[Signature]

[Date]

## Profile/Information about the Auditee

| SI No | Particulars   | Details  |
|-------|---|--|
| 1     | Name of the auditee   | Sonu   |
| 2     | Financial year of Audit   | 2024-2025  |
| 3     | Period of Audit (i.e. From dd/mm/yyyy to dd/mm/yyyy)  | 01/01/1900 to 01/01/1900                             |
| 4     | Constitution  | Yet To Start   |
| 5     | Changes in constitution during the year   |  |
| 6     | Nature of Audit to be conducted – <ul style="list-style-type: none"> <li>• Statutory Audit</li> <li>• Tax Audit</li> <li>• Charitable/Religious Trust Audit</li> <li>• Special Audit</li> <li>• Internal/Other</li> </ul> |  |
| 7     | Address(es) of places of Business   | Bangalore : Bangalore; Spain : 111, Soth zone, Spain |
| 8     | Audit scope (whole/specific unit)   |  |
| 9     | Phone numbers of all places of business   | Bangalore : ; Spain : 123-65784                      |
| 10    | Fax numbers of all places of business   |  |
| 11    | E-mail addresses of all places of business  | Bangalore : ; Spain : sonu@gmail.com                 |
| 12    | Date of Incorporation/Formation   | 13/08/2025   |
| 13    | Company (CIN)/Firm Registration Number  | Spain : CIN3000                                      |
| 14    | Income Tax PAN  |  |
| 15    | TAN of all units  | Spain : TAN3000                                      |
| 16    | Central Excise Registration Numbers   |  |
| 17    | Service Tax Registration Numbers  |  |
| 18    | VAT Registration Numbers  |  |
| 19    | GST Registration Numbers  |  |
| 20    | Import Export Code Number (IEC)   |  |
| 21    | Bank Account Details  |  |
| 22    | Key persons for audit interaction   |  |
| 23    | Contact person/ Coordinator   |  |
| 24    | Nature of Business / Core Activity  |  |
| 25    | Brief note on the manufacturing process   |  |
| 26    | Main products / By-products   |  |
| 27    | Main Raw materials used   |  |
| 28    | Method of Accounting  |  |
| 29    | Method of Book keeping  |  |
| 30    | Accounting package used & generated reports   |  |
| 31    | List of books (computerized/manual)   |  |
| 32    | Covered by Internal Audit   |  |
| 33    | Other entities where directors are interested   |  |
| 34    | Nature of such interest   |  |
| 35    | DIN of all Directors  |  |

Very truly yours,

**For A1; ABCD; ASB; HP; infinity; Mindtree; Nayana & Co; Raju & Co; Rakesh & Co; S&S; Start; T1; TRACe Test Demo and Co.; UBC; Varun & co; Venu**

[Designation]

Place :

Date :

# Conduct Audit Workpaper Report

**Client Name:** Sonu

**Audit No:** CUST0001/AUD/2024-2025/00001 - Statutory Audit

## Work Paper Details

|                                     |                                    |
|-------------------------------------|------------------------------------|
| <b>Workpaper Name:</b>              | Audit procedure1                   |
| <b>Created By and Date:</b>         | Admin, 20/06/2025                  |
| <b>Workpaper No:</b>                | CUST0001/AUD/2024-2025/00001/WP004 |
| <b>Reviewed By and Date:</b>        | ,                                  |
| <b>Type of Test:</b>                |                                    |
| <b>Status:</b>                      | WIP                                |
| <b>Exceeded Materiality:</b>        | Yes                                |
| <b>Auditor Hours Spent:</b>         | 1                                  |
| <b>Notes/Steps:</b>                 | Nil                                |
| <b>Deviations/Exceptions Noted:</b> | Deviations noted                   |
| <b>Critical Audit Matter(CAM):</b>  | CAM                                |
| <b>Conclusion:</b>                  | conclusion                         |
| <b>Attachments:</b>                 | 0                                  |
| <b>Workpaper Name:</b>              | Audit procedure123                 |
| <b>Created By and Date:</b>         | Admin, 20/06/2025                  |
| <b>Workpaper No:</b>                | CUST0001/AUD/2024-2025/00001/WP003 |
| <b>Reviewed By and Date:</b>        | ,                                  |
| <b>Type of Test:</b>                |                                    |
| <b>Status:</b>                      | WIP                                |
| <b>Exceeded Materiality:</b>        | Yes                                |
| <b>Auditor Hours Spent:</b>         | 1                                  |
| <b>Notes/Steps:</b>                 | Nil                                |
| <b>Deviations/Exceptions Noted:</b> | Deviations noted                   |
| <b>Critical Audit Matter(CAM):</b>  | CAM                                |
| <b>Conclusion:</b>                  | conclusion                         |
| <b>Attachments:</b>                 | 0                                  |
| <b>Workpaper Name:</b>              | Audit procedure12                  |
| <b>Created By and Date:</b>         | Admin, 20/06/2025                  |
| <b>Workpaper No:</b>                | CUST0001/AUD/2024-2025/00001/WP002 |
| <b>Reviewed By and Date:</b>        | ,                                  |
| <b>Type of Test:</b>                |                                    |
| <b>Status:</b>                      | WIP                                |
| <b>Exceeded Materiality:</b>        | Yes                                |

|                                     |                                    |
|-------------------------------------|------------------------------------|
| <b>Auditor Hours Spent:</b>         | 1                                  |
| <b>Notes/Steps:</b>                 | Nil12                              |
| <b>Deviations/Exceptions Noted:</b> | Deviations noted12                 |
| <b>Critical Audit Matter(CAM):</b>  | CAM12                              |
| <b>Conclusion:</b>                  | conclusion12                       |
| <b>Attachments:</b>                 | 0                                  |
| <b>Workpaper Name:</b>              | Audit procedure                    |
| <b>Created By and Date:</b>         | Admin, 08/03/2025                  |
| <b>Workpaper No:</b>                | CUST0001/AUD/2024-2025/00001/WP001 |
| <b>Reviewed By and Date:</b>        | Admin, 11/07/2025                  |
| <b>Type of Test:</b>                |                                    |
| <b>Status:</b>                      | WIP                                |
| <b>Exceeded Materiality:</b>        | Yes                                |
| <b>Auditor Hours Spent:</b>         | 1                                  |
| <b>Notes/Steps:</b>                 | Nil                                |
| <b>Deviations/Exceptions Noted:</b> | Deviations noted                   |
| <b>Critical Audit Matter(CAM):</b>  | CAM                                |
| <b>Conclusion:</b>                  | conclusion                         |
| <b>Attachments:</b>                 | 0                                  |

### Conduct Audit Heading wise Checkpoints Report

| SI No | Heading   | Check Point   | Assertions                                     | Workpaper Ref/Index   |
|-------|---|---|--|---|
| 1     | Balance Sheet Checklist -<br>ASSETS - NON-CURRENT<br>ASSETS                                 | Are the following items disclosed under non-current assets:<br>a. Property, Plant and Equipment and Intangible Assets<br>i. Property, Plant and Equipment | Mandatory: Yes<br>Test Result:<br>Annexure:    | Workpaper Ref:<br>Comments:<br>By:<br>On: 01/01/1900 00:00:00                                 |
| 2     | Balance Sheet Checklist -<br>ASSETS - NON-CURRENT<br>ASSETS - Property, Plant and Equipment | Are Property, Plant and Equipment classified as under:<br>a. Land   | Mandatory: Yes<br>Test Result:<br>Annexure: No | Workpaper Ref: Audit procedure12<br>Comments: Remarks<br>By: Admin<br>On: 07/03/2025 15:56:33 |
| 3     | Balance Sheet Checklist -<br>ASSETS - NON-CURRENT<br>ASSETS - Property, Plant and Equipment | Are Property, Plant and Equipment classified as under:<br>b. Buildings  | Mandatory: Yes<br>Test Result:<br>Annexure:    | Workpaper Ref: Audit procedure12<br>Comments:<br>By: Admin<br>On: 07/03/2025 15:56:33         |
| 4     | Balance Sheet Checklist -<br>ASSETS - NON-CURRENT<br>ASSETS - Property, Plant and Equipment | Are Property, Plant and Equipment classified as under:<br>c. Plant and Equipment  | Mandatory: Yes<br>Test Result:<br>Annexure:    | Workpaper Ref: Audit procedure<br>Comments:<br>By: Admin<br>On: 03/08/2025 14:18:08           |
| 5     | Balance Sheet Checklist -   | Are Property, Plant and   | Mandatory: Yes                                 | Workpaper Ref: Audit  |

| SI No | Heading   | Check Point  | Assertions                                  | Workpaper Ref/Index  |
|-------|---|--|---|--|
| 5     | ASSETS - NON-CURRENT<br>ASSETS - Property, Plant and Equipment                      | Equipment classified as under:<br>d. Furniture and Fixtures  | Test Result:<br>Annexure:                   | procedure<br>Comments:<br>By: Admin<br>On: 03/08/2025 14:18:08 |
| 6     | Balance Sheet Checklist -<br>ASSETS - CURRENT<br>ASSETS - Current Investments       | Are Current Investments classified as:<br>b. Investments in Preference Shares:   | Mandatory: Yes<br>Test Result:<br>Annexure: | Workpaper Ref:<br>Comments:<br>By:<br>On: 01/01/1900 00:00:00  |
| 7     | Balance Sheet Checklist -<br>ASSETS - CURRENT<br>ASSETS - Current Investments       | Are Current Investments classified as:<br>c. Investments in Government or trust securities:  | Mandatory: Yes<br>Test Result:<br>Annexure: | Workpaper Ref:<br>Comments:<br>By:<br>On: 01/01/1900 00:00:00  |
| 8     | Balance Sheet Checklist -<br>ASSETS - CURRENT<br>ASSETS - Current Investments       | Are Current Investments classified as:<br>d. Investment in debentures or bonds   | Mandatory: Yes<br>Test Result:<br>Annexure: | Workpaper Ref:<br>Comments:<br>By:<br>On: 01/01/1900 00:00:00  |
| 9     | Balance Sheet Checklist -<br>ASSETS - CURRENT<br>ASSETS - Current Investments       | Are Current Investments classified as:<br>e. Investments in Mutual Funds:  | Mandatory: Yes<br>Test Result:<br>Annexure: | Workpaper Ref:<br>Comments:<br>By:<br>On: 01/01/1900 00:00:00  |
| 10    | Balance Sheet Checklist -<br>ASSETS - CURRENT<br>ASSETS - Current Investments       | Are Current Investments classified as:<br>f. Investments in Partnership Firms:   | Mandatory: Yes<br>Test Result:<br>Annexure: | Workpaper Ref:<br>Comments:<br>By:<br>On: 01/01/1900 00:00:00  |
| 11    | Balance Sheet Checklist -<br>ASSETS - CURRENT<br>ASSETS - Current Investments       | Are Current Investments classified as:<br>g. Other non-current investments (specifying nature)   | Mandatory: Yes<br>Test Result:<br>Annexure: | Workpaper Ref:<br>Comments:<br>By:<br>On: 01/01/1900 00:00:00  |
| 12    | Balance Sheet Checklist -<br>ASSETS - CURRENT<br>ASSETS - Current Investments       | Is aggregate amount of unquoted investments disclosed?   | Mandatory: Yes<br>Test Result:<br>Annexure: | Workpaper Ref:<br>Comments:<br>By:<br>On: 01/01/1900 00:00:00  |
| 13    | Balance Sheet Checklist -<br>ASSETS - CURRENT<br>ASSETS - Cash and cash Equivalents | Are Cash and cash equivalents classified as:<br>b. Cheques, drafts on hand:  | Mandatory: Yes<br>Test Result:<br>Annexure: | Workpaper Ref:<br>Comments:<br>By:<br>On: 01/01/1900 00:00:00  |
| 14    | Balance Sheet Checklist -<br>ASSETS - CURRENT<br>ASSETS - Cash and cash Equivalents | Are Earmarked balances with banks (for example, for unpaid dividend) separately stated?  | Mandatory: Yes<br>Test Result:<br>Annexure: | Workpaper Ref:<br>Comments:<br>By:<br>On: 01/01/1900 00:00:00  |
| 15    | Balance Sheet Checklist -<br>ASSETS - CURRENT<br>ASSETS - Cash and cash Equivalents | Are Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments disclosed separately? | Mandatory: Yes<br>Test Result:<br>Annexure: | Workpaper Ref:<br>Comments:<br>By:<br>On: 01/01/1900 00:00:00  |
| 16    | Balance Sheet Checklist -<br>ASSETS - CURRENT<br>ASSETS - Cash and cash Equivalents | Are Repatriation restrictions, if any, in respect of cash and bank balances separately stated?   | Mandatory: Yes<br>Test Result:<br>Annexure: | Workpaper Ref:<br>Comments:<br>By:<br>On: 01/01/1900 00:00:00  |
| 17    | Balance Sheet Checklist -<br>ASSETS - CURRENT<br>ASSETS - Cash and cash             | Are Bank deposits with > 12 months maturity disclosed separately?  | Mandatory: Yes<br>Test Result:<br>Annexure: | Workpaper Ref:<br>Comments:<br>By:                             |



| SI No | Heading     | Check Point   | Assertions                                  | Workpaper Ref/Index     |
|-------|-------------|---|---|-------------------------|
| 17    | Equivalents | Are Bank deposits with > 12 months maturity disclosed separately? | Mandatory: Yes<br>Test Result:<br>Annexure: | On: 01/01/1900 00:00:00 |

### Conduct Audit Observation Details

| SI No | Check Point   | Observations  | Remarks By             | Client Remarks |
|-------|---|---|------------------------|----------------|
| 1     | 8. Miscellaneous:<br>E. Grant against PPE:<br>ii. Ensure that any Non-monetary capital grants received are recorded at nominal value of the asset as per AS 12 /Ind AS 20 | Compared and verified the balances in Accounts payable and purchases. | User2(Audit Assistant) | -              |

# Independent Auditors Report

**Ref.No.: CUST0001/AUD/2024-2025/00001 - Statutory Audit**

Date: 24 Aug 2025

Sonu

Very truly yours,

**A1; ABCD; ASB; HP; infinity; Mindtree; Nayana & Co; Raju & Co; Rakesh & Co; S&S; Start; T1; TRACe Test Demo and Co.; UBC; Varun & co; Venu**

Chartered Accountant

# Management Representation Letter (MRL)

**Ref.No.: CUST0001/AUD/2024-2025/00001 - Statutory Audit**

Date: 24 Aug 2025

Sonu

Very truly yours,

**A1; ABCD; ASB; HP; infinity; Mindtree; Nayana & Co; Raju & Co; Rakesh & Co; S&S; Start; T1; TRACe Test Demo and Co.; UBC; Varun & co; Venu**

Chartered Accountant

# Audit Issues and Closure

**Client Name:** Sonu  
**Audit No:** CUST0001/AUD/2024-2025/00001 - Statutory Audit

| S<br>I<br>N<br>O | Workpa<br>per Ref  | CAM | Exceeded<br>Materiality | Deviation<br>s/Excep<br>tions<br>Noted | Conc<br>lusio<br>n | Type<br>of<br>Test | Status | Description &<br>Reason for<br>selection as CAM | Audit Procedure<br>undertaken to<br>address the CAM |
|------------------|--------------------|-----|-------------------------|--|--------------------|--------------------|--------|---|---|
| 1                | Audit pr<br>cedure | CAM | Yes                     | Deviation<br>s noted                   | concl<br>usion     |                    | WIP    | Observations                                    | Detailed procedure<br>discussed and<br>written      |